

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATED FILED: _____
HAROLD ANDREW FRANKEL	:	VIOLATION: 18 U.S.C. § 1344 (Bank fraud - 1 count)

I N F O R M A T I O N

C O U N T   O N E

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant HAROLD ANDREW FRANKEL was an owner of R&A Business Associates, Inc. ("R&A"), a Pennsylvania corporation which was in the business of cashing checks and selling money orders in several locations in the City of Philadelphia, doing business under the name The Check Cashing Place.
2. R&A sold money orders pursuant to an arrangement with Merchant Express Money Order Company ("MEMO"), a subsidiary of Pennsylvania Food Merchants Association located in Camp Hill, Pennsylvania. The agreement between R&A and MEMO provided that R&A's money order sales week ran from Thursday to Wednesday; the following week R&A paid MEMO the amount owed for the previous week's sales. As a result, R&A enjoyed a "float" period for several days following the sale of a money order until the corresponding funds were remitted to MEMO.
3. R&A maintained a business bank account at Crusader Savings Bank, a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation.

4. From in or about 1996, to on or about October 20, 1998, in the Eastern District of Pennsylvania, defendant

HAROLD ANDREW FRANKEL

knowingly executed and attempted to execute a scheme to defraud and to obtain moneys and funds owned by, and under the custody and control of, Crusader Savings Bank, by means of false and fraudulent pretenses, representations and promises.

THE SCHEME

5. Beginning in or about 1996, defendant HAROLD ANDREW FRANKEL issued, and caused R&A employees to issue, MEMO money orders for which there were no corresponding customers paying for the money orders. These money orders were generally made payable to local utility companies Bell Atlantic, PECO, or PGW, and deposited by HAROLD ANDREW FRANKEL into R&A's business account at Crusader Savings Bank. As a consequence, R&A and HAROLD ANDREW FRANKEL obtained access to Crusader Savings Bank's funds through the deposit of these fraudulently issued and deposited MEMO money orders. The volume of fraudulently issued and deposited money orders increased until MEMO stopped payment on outstanding money orders issued by R&A on or about October 20, 1998.

6. From on or about October 1, 1998, to on or about October 20, 1998, defendant HAROLD ANDREW FRANKEL issued, and caused R&A employees to issue, in excess of 4,000 MEMO money orders totaling approximately \$1,257,927.75 for which there were no corresponding customers paying for the money orders. These money orders were made payable to Bell Atlantic, PECO, PGW, Cash, and individuals and entities other than R&A, and were deposited into the R&A business account at Crusader Savings Bank, causing a loss of

approximately \$1,257,927.75 when MEMO stopped payment on these fraudulently issued and deposited money orders.

In violation of Title 18, United States Code, Section 1344.

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PATRICK L. MEEHAN  
United States Attorney

